

VZCZCXR06616
PP RUEHBC RUEHKUK RUEHROV
DE RUEHEG #1198/01 1631339
ZNY SSSS ZZH
P 111339Z JUN 08
FM AMEMBASSY CAIRO
TO RUEHC/SECSTATE WASHDC PRIORITY 9524
INFO RUEHEE/ARAB LEAGUE COLLECTIVE PRIORITY

S E C R E T SECTION 01 OF 02 CAIRO 001198

SIPDIS

E.O. 12958: DECL: 06/08/2018
TAGS: PREL PGOV LE IS SY IZ IR EG
SUBJECT: S/P GORDON MEETS WITH EGYPTIAN MFA TEAM

Classified By: Deputy Chief of Mission Stuart Jones
Reasons: 1.4 (B) and (D)

¶1. (S) S/P Director Dr. David Gordon engaged with MFA Chief of Cabinet Wafa Bassim in a wide ranging regional policy discussion June 6. Bassim reiterated the Egyptian view that resolution of the Israeli-Palestinian conflict is paramount. The Egyptians are supporting the Lebanese government, assessing the post-Doha Lebanon landscape, and trying to gauge Syria's position. On Iraq, Egypt "wants Iraq back in the Arab fold," and although political and security progress is being made, "fluctuations of violence" are still a major Egyptian concern. S/P Gordon urged the Egyptians to do more to support the Iraqi government, noting that recent developments in Iraq have put Tehran "on its back foot." The U.S. understands there is a legitimate role for Iran in the region but that does not include hegemonic behavior. Bassim said that the Egyptians seek to increase "trilateral cooperation" with the USG in the Horn of Africa. End summary.

¶2. (S) S/P Gordon (accompanied by DCM, Chief of Staff Todd Deatherage, Special Assistant Whit Wolman, and poloff) met with MFA Chief of Cabinet Wafa Bassim and several key MFA advisors June 6. Bassim said that there is pessimism among Egyptians and Arabs about prospects for Israeli-Palestinian peace. She expressed concern that internal Israeli domestic politics and the fate of PM Olmert would negatively affect Israeli-Palestinian progress. On the other side of the equation, Bassim said that PA President Abbas needs to be supported. She reported that the Egyptian-led tahdiya ("calming") talks with Hamas and Israel remained at an impasse.

¶3. (S) S/P Gordon agreed that domestic Israeli politics were important to watch. The Secretary was heavily focused on the Israeli-Palestinian conflict and constantly assessing ways to help the parties make progress in their negotiations; we are well aware of the challenges but believe an agreement can be reached.

IRAQ

¶4. (S) Deputy Assistant Minister for Arab Affairs Ayman Zeineldeen said that Egypt "wants Iraq back in the Arab fold," and recognized that there has been some political progress in addition to security gains. But big question marks remain. The weaponization of the militias such as the Mahdi Army is a major concern. Zeineldeen queried whether Al Qaeda in Iraq had "really been eliminated." The GOE is also concerned about the future of the Iraqi government. Is it going to be "affiliated" with Iran or independent and "multi-party" (i.e. representative of Sunnis, Shias and Kurds)? Finally, Zeineldeen asked about the status of oil revenue-sharing arrangements.

¶5. (S) S/P Gordon agreed that spikes in violence continue, but said the overall downward trend is undeniable, and estimated to be a 70-80 percent decrease. Iran continues to exert extraordinary efforts to influence the situation, but

Tehran appears to be "on its back foot." There is a growing rift between Iran and allies of Iraq High Islamic Council leader Abdel Aziz El Hakim, due to Iran's continuing support of Sadr and Jaysh al Mahdi. While it would be an exaggeration to say that Jaysh Al-Mahdi had been defeated, it had been dealt a big setback. As for al Qaeda in Iraq, S/P Gordon assessed that it is "80 to 90 percent defeated. They will not recover." The Shiasa militias are more complicated: Al Sadr is exerting less influence as the GOI asserts its authority in Basra and Sadr City and Mosul. The Iraqi people have been supportive of GOI reclamation of these areas. The Pashmerga forces are working with the Iraqi Army; in central and southern Iraq there is growing coordination with the military and local police.

¶ 6. (S) Gordon said that the upcoming Iraqi elections will be critical; the Kurdish component is stable, and while the rest of Iraq is not predictable, grass-roots moderates are making advances. The situation is not perfect, but it is getting better, and Arab engagement is critical. On oil, Gordon said that we would like to see more progress, and we are working with UN special envoy de Mastura. Despite the fact that the hydrocarbons law has not been finalized, production and exports continue to increase.

¶ 7. (S) Regarding the development of a U.S.-Iraq bilateral agreement, S/P Gordon said that a lot will depend on political developments in Iraq that still need to play out. The Iraqis want to run their own country, and that is on balance a very good thing. But they recognize that they need support, and these competing realities must be reconciled.

CAIRO 00001198 002 OF 002

IRAN

¶ 8. (S) The MFA advisors queried S/P Gordon on Iran. Was the USG planning to strike a deal with Tehran, given Iran's demonstrated ability to "outmaneuver" the U.S. and its regional allies? S/P Gordon responded that we recognize that Iran has a legitimate role to play in the region and we have made clear that if Iran agrees to suspend enrichment that "everything is on the table." But we will resist efforts at hegemony. Iran does not have the right to use lethal force to attack the sovereignty of a government. Although Iran is aggressive and has made some tactical regional gains, Tehran's chronic tendency to overreach -- as evidenced by the Hizballah takeover of Lebanon -- is proving costly. We understand that Iraqis do not want a "proxy war" (i.e. Sunni-Shias or Saudi Arabia-Iran) fought in Iraq; we hope the Iranians share this understanding.

LEBANON

¶ 9. (S) MFA Cabinet Advisor for Syria/Lebanon Nazih Neggary said that Egypt fully agrees on the need to support Lebanese moderates and the democratic model for Lebanon. More needs to be done to support Lebanese institutions, especially the army. The problem Egypt and Saudi Arabia face is that overt support of the majority creates a strong counter-movement by supporters of the opposition (e.g. Syria and Iran). Hizballah and Iran are "playing on the feelings" of Arabs very effectively by arguing that resistance, as seen in the summer 2006 Israel-Hizballah conflict, is the only solution. To gain the advantage, Neggary suggested advancement of a political track on Shebaa Farms, supported by Egypt, which would strengthen Egyptian credibility in the broader Lebanon political dynamic. To this end, FM Aboul Gheit had recently delivered a verbal message via Ambassador Fahmy in Washington.

¶ 10. (S) The role of Syria and Iran on the Doha agreement, and whether or not there is friction between the two, remains unclear to the GOE. There is no real clarity on

Iranian-Hizballah coordination, but Neggary noted that Hizballah leader Nasrallah's recent public statement that his loyalty is to Iranian religious authorities was "rather stunning."

¶11. (S) S/P Gordon said that the recent Lebanon crisis, and subsequent Doha agreement, could be seen as a tactical gain for Hizballah, but it also created a strategic opening for moderates. Hizballah had shown its true colors and had turned its arms on the Lebanese people. In the end, it was a serious over-reach that had left Hizballah backpedaling as Lebanon turned toward 2009 parliamentary elections.

AFRICA

¶12. (S) Bassim said that she will travel to Washington June 17 to consult (inter alia) on development of U.S-Egypt cooperation on horn of Africa issues. Bassim said that the GOE views this as an opportunity for both Egypt and the U.S. to demonstrate goodwill and work together. S/P Gordon welcomed this initiative and the chance to continue the discussion in Washington.

COMMENT

¶13. (C) Members of the MFA team subsequently told us they deeply appreciated the chance to talk in-depth with S/P Gordon, commenting that they believe Egypt and the USG are strategically aligned on major regional issues.

¶14. (U) This message has been cleared by S/P Gordon.

SCOBAY